Putting Downsizing in Perspective

INPUT

ID- 1

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Topics

- Introduction
- Types of Downsizing
- Downsizing Plans
- Conclusions

INPUT

ID- 2

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Information Technology Environment

INPUT

ID- 3

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Revolution and Opportunities

INPUT

ID- 4

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Types of Downsizing

- Platform driven
- Application driven
- Organization driven

INPUT

ID- 5

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Driven Description

- Replacement of the core processing capability (platform) on a price/performance basis.

INPUT

ID- 6

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Driven Technologies Supporting

- SQL servers
- RISC
- Cooperative processing
- LANs—client/servers
- Open systems

INPUT

ID- 7

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Driven Driving Forces

- Price/performance
- Costs
- Purchased applications
- Ease of use of technology
- Reaction time

INPUT

ID- 8

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application Driven Description

- Transfer of the application, either user interface or all, to a workstation or LAN environment.

INPUT

ID- 9

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application Driven Technologies Supporting

- SQL
- Client/server
- Distributed data base management systems
- LANs—client/servers

INPUT

ID- 10

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application Driven Driving Forces

- User involvement in application development
- Re-engineering of business processes
- Many information technologies
- Proving IS can be cost effective

INPUT

ID- 11

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application Driven—Example

- Executive Information System
  - LAN-based server
  - SQL data base
  - PC interface—user can customize
  - Structured interfaces to operational data bases

INPUT

ID- 12

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Driven—Example

- Food processing—beer company
- 1 mainframe to 3 RISC servers
- Complete replacement of applications (purchased)
- Budget reduced by 40%
- Implementation—2 years

INPUT

ID- 13

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Organization Driven Description

- The role of information systems becomes focused on advising and consulting, not performing.

INPUT

ID- 14

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Organization Driven Driving Forces

- Re-engineering of the total organization
- User involvement in IS process
- IS performance problems
- Client/server and RISC technology

INPUT

ID- 15

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Organization Driven Impacts

- IS process becomes owned by user
- IS becomes integrated with the business
- IS decisions become business driven

INPUT

ID- 16

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing Plans

Notes

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Survey

- Information systems executives
- Information services vendors
- Same questions
  - What are the underlying issues?
  - What will be the rate of progress?
- Goal - Is there conflict or confusion?

INPUT

ID- 18

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Overall Attitude
Overvalued or Underrated

Concept	Users	Vendors
Downsizing	Over	Over
Client-server	Under	Under
Cooperative processing	Under	Under
Portability	Under	-

INPUT

ID- 19

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Attributes

Question: Rank the platforms for each of the attributes.

- Mainframe
- Minicomputer
- RISC
- Personal computer

INPUT

ID- 20

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Attributes

- Agreement on mainframe & PC
- Confusion on minicomputer and RISC
  - Vendors favor RISC
  - Users favor minicomputers

INPUT

ID- 21

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Attributes
Mainframe

- Security
- Connectivity
- Reliability
- Network mgmt.
- Vendor support
- Architecture
- Commercial applications
- Data management
- Complex
- Application software

INPUT

ID- 22

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Attributes
PC

- Cost effective
- Bargain
- Easy to program
- Easy to use
- Open architecture
- Easy to operate

INPUT

ID- 23

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Attributes
Minicomputers

Users	Vendors
Distributed server	Commercial applications
Architecture	Architecture
Data management	Easy to program
Connectivity	Application software
Easy to program	Complex

INPUT

ID- 24

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Attributes
RISC

- Attributes
  - Distributed server
  - Open architecture
  - Cost effective/bargain

INPUT

ID- 25

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Platform Attributes
RISC

- Users modest ratings
- Vendors very high ratings
- Vendors investing

INPUT

ID- 26

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Forces Prompting—Importance

Concept	IS Execs.	Vendors
Lower IS costs	High	High
Hardware price/perf.	High	High
Reduced development costs	High	Med-High
Need to re-engineer	Medium	Medium
Decentralize	Med-Low	Med-Low

INPUT

ID- 27

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Forces Prompting—Importance

Concept	IS Execs.	Vendors
Improved service	Medium	High
User control	Medium	High
Improve info. quality	Medium	High
Organization flexibility	Medium	Med-High
Open systems	Low	Medium

INPUT

ID- 28

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Forces Inhibiting—Importance

Concept	IS Execs.	Vendors
Data quality	High	High
Increased network complexity	High	Medium
Reprogramming costs	Med-High	Med-High
DB conversion costs	Med-High	Medium
Increased DBM costs	Med-Low	Low

INPUT

ID- 29

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Forces Inhibiting—Importance

Concept	IS Execs.	Vendors
No applications software	Med-High	Medium
Lack of systems software	Medium	Med-high
Centralized control	Medium	Medium
Vendor reliability	Med-Low	Med-Low
Increased software costs	Med-Low	Low

INPUT

ID- 30

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application and Data Base Plans

Question: Where is each application or data base planned to reside in 1991 and 1995?

INPUT

ID- 31

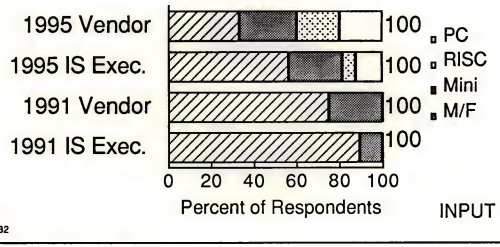
Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application Plans—Accounting



ID-32

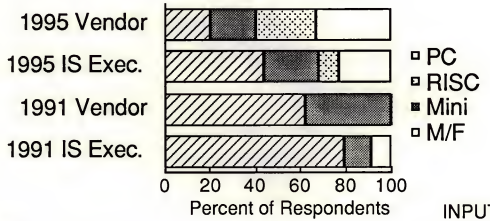
Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application Plans—Purchasing



INPUT

ID-33

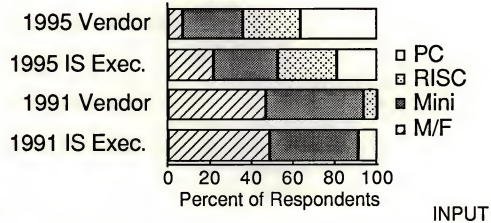
Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application Plans—Production



INPUT

ID-34

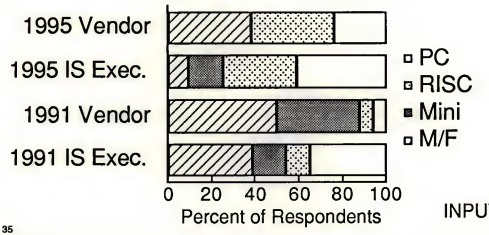
Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Application Plans—Image Processing



INPUT

ID-35

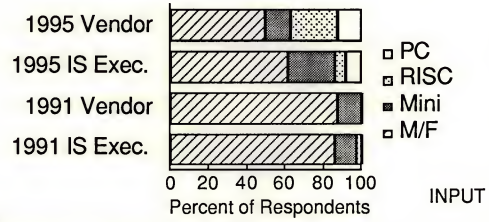
Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Data Bases Plans—Finance/Accounting



INPUT

ID- 36

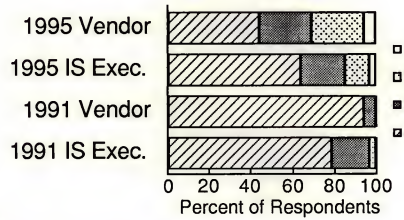
Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Data Base Plans—Operating



INPUT

ID-37

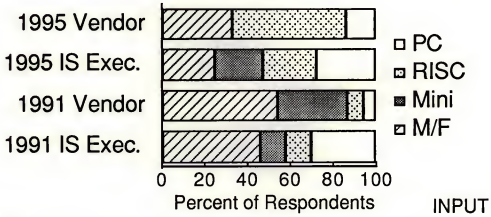
Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Data Base Plans—Image



INPUT

ID-38

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Plans

Question: When will the statement apply to IS infrastructure?

INPUT

ID- 39

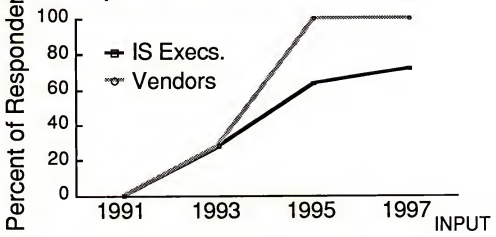
Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Major Client/Server Applications Implementation Timing



ID- 40

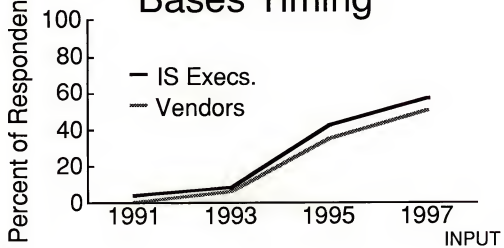
Notes

11/15/91

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Significant Distributed Data Bases Timing

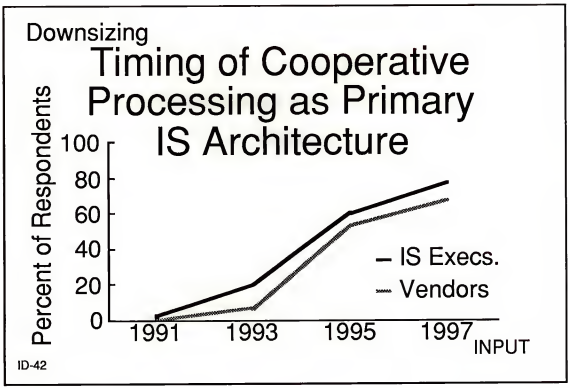


ID-41

Notes

11/15/91

© 1992 by INPUT. Reproduction Prohibited.



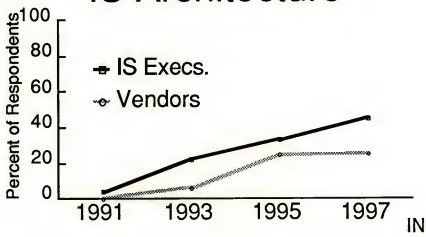
Notes

11/15/91

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Timing of SAA As Primary IS Architecture



ID- 43

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Benefits and Consequences

Question: Agree or disagree the following benefits or consequences result from downsizing innovations.

INPUT

ID- 44

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Benefits

Concept	% Agreeing	
	IS Execs.	Vendors
Improve user responsiveness	83	89
Faster development	77	61
More effective IT	75	89
IS role/expense reduced	62	78
Reduced software costs	46	44

INPUT

ID- 45

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Benefits

Concept	% Agreeing	
	IS Execs.	Vendors
Improved productivity	62	94
Reduced hardware costs	65	88
Improved business planning	58	89
Improved control of IR	33	62

INPUT

ID- 46

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Distribution of Function

Question: What is proper platform for following functions?

- Mainframe
- Minicomputer
- RISC
- Personal computer

INPUT

ID- 47

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Distribution of Function

Appropriate Platform Function	IS Execs.	Vendors
Secure data bases	M/F	M/F
Repository mgmt.	M/F	M/F
Critical data bases	M/F	M/F

M/F = Mainframe

INPUT

ID- 48

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Distribution of Function

Appropriate Platform Function	IS Execs.	Vendors
Image processing	All	M/F-PC
Network management	M/F	RISC-All
Transaction processing	M/F	M/F-RISC

M/F = Mainframe PC = Personal computer

INPUT

ID- 49

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Distribution of Function

Appropriate Platform Function	IS Execs.	Vendors
Distributed DBs	M/F-Mini	RISC-Mini
Program development	PC	PC

M/F = Mainframe PC = Personal computer

INPUT

ID- 50

Notes

10/2/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Issues

- Information Systems
  - Shifting underlying technology
  - Re-engineering without losing data integrity
  - Managing the transition
  - Buying from new vendors

INPUT

ID- 51

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Issues

- Information services vendors
  - Where to invest: RISC, UNIX, SQL?
  - How fast will IS move?
  - Is the underlying technology ready?
  - Learning to sell to the user

INPUT

ID- 52

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Conclusions

- Confusion—but many plans
- IS execs. and vendors do not agree
- User demands and technology drive the revolution

INPUT

ID-53

Notes

8/19/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Conclusions

- Information systems
  - Basis for re-engineering/re-investment
  - Does not negate role of IS
  - Opportunity to provide real ROI
  - Opportunity to market increased IT benefits

INPUT

ID- 54

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Conclusions

- Information services vendors
  - Source of new opportunities
  - Shifts investment from old to new
  - Cause change in market strategy
  - May increase pricing and profit pressures

INPUT

ID- 55

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

Recommendations

- IS Execs.
  - The 90s—Age of Architecture
  - Integration, integration, integration
- Vendors
  - Clarity of direction
  - Balance your investments

INPUT

ID- 56

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Conclusions

- Vendors more optimistic than buyers
- Some applications will lead
- Data bases move more slowly than applications

INPUT

ID- 57

Notes

11/15/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing

INPUT 1992 Research Plans

- Downsizing and IT architectures
- Client/server application development
- Impacts on IT vendors
- Impacts on role of information systems
- Case studies

INPUT

ID- 58

Notes

12/24/91

© 1991 by INPUT. Reproduction Prohibited.

Downsizing Revolution

INPUT

ID- 59

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing Topics

- Overview
- Issues
- Client/Server

- Planning
- Architecture
- Case Studies

INPUT

ID- 60

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

The Systems Industry—Past

Demand increase - 30% to 40% per year

+

Price/performance improvement - 20% per year

=

Industry growth - 10% to 20% per year

INPUT

ID-62

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

The Systems Industry—Past

Demand increase - 30% to 40% per year

+

Price/performance improvement - 20% per year

=

Industry growth - 10% to 20% per year

INPUT

ID-62

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

The Systems Industry— Now

Demand increase - 30% per year ?

+

Price/performance improvement - 40% per year

=

Industry Shrinkage

INPUT

ID-63

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

The Systems Industry— Now

Demand increase - 30% per year ?

+

Price/performance improvement - 40% per year

=

Industry Shrinkage

INPUT

ID-63

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Types of Downsizing

- Platform driven
- Application driven
- Organization driven

INPUT

ID-64

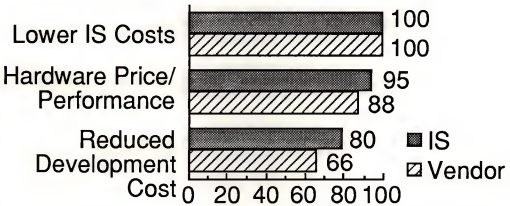
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Driving Forces Most Important



ID-65

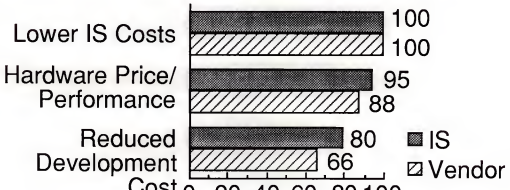
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Driving Forces Most Important



INPUT

ID-65

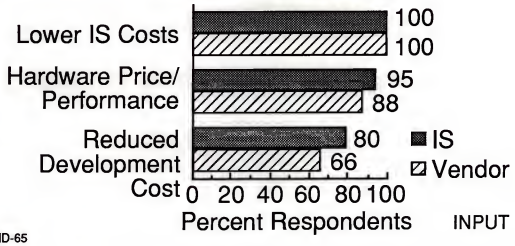
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Driving Forces Most Important



ID-65

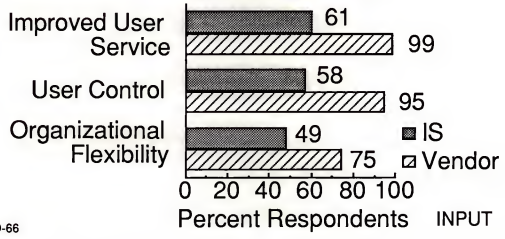
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Driving Forces Most Important



ID-66

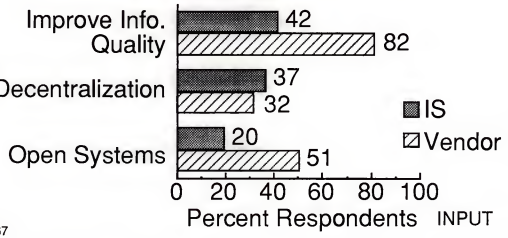
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Driving Forces Least Important



ID-67

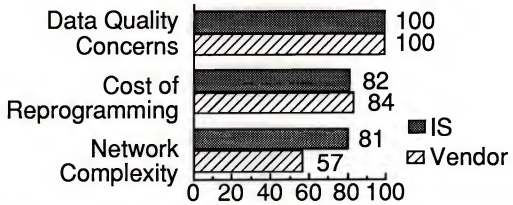
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Inhibiting Forces Most Important



ID-68

INPUT

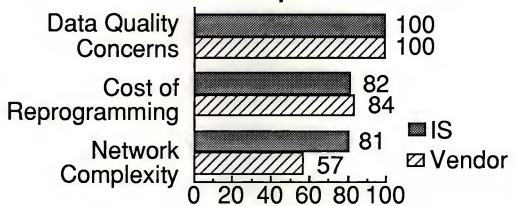
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Inhibiting Forces Most Important



ID-68

INPUT

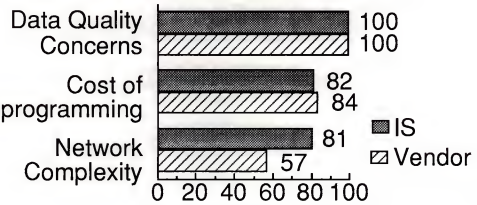
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Inhibiting Forces Most Important



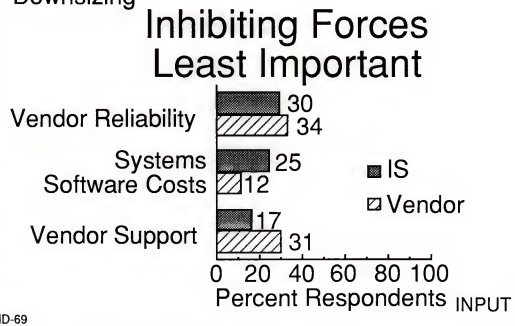
ID-68

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing



ID-69

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Key Issues

- User
  - User acceptance of IT ownership
  - Management of distributed data
  - Re-engineering the IT architecture
  - Top-down or bottom-up implementation

INPUT

ID-70

Notes

7/9/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Key Issues

- User
  - User acceptance of IT ownership
  - Management of distributed data
  - Re-engineering the IT architecture
  - Top-down or bottom-up implementation

INPUT

ID-70

Notes

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Key Issues

Vendor

- Re-investment in products/services
- Retraining sales force
  - Products
  - Customers
- Shifting the client to new technology

INPUT

ID-71

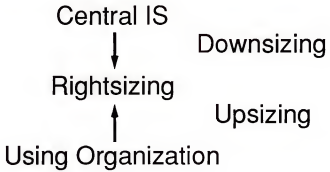
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Planning—Point of View



ID-72

INPUT

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Top Down or Bottom Up

Integrated	or	Piecemeal
Architecture	or	Application
Controlled	or	Experimental
IS	or	User

INPUT

ID-73

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Planning Issues

- Progress with relational DBMS
- Cost goals vs. business goals
- Shifting costs to user
- IS vs. user responsibilities
- Purchased vs. internal applications
- Data vs. all types of information

INPUT

ID-74

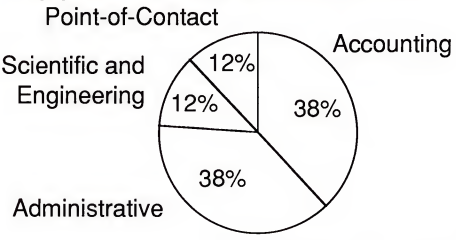
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Applications Completed



Responses: 8

INPUT

ID-75

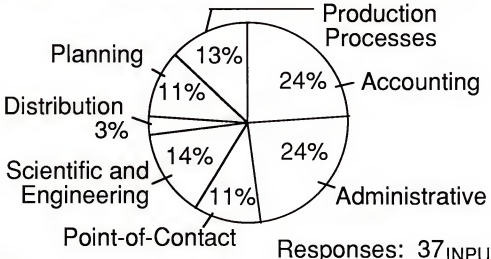
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Applications Planned, 1992



Responses: 37

INPUT

ID-76

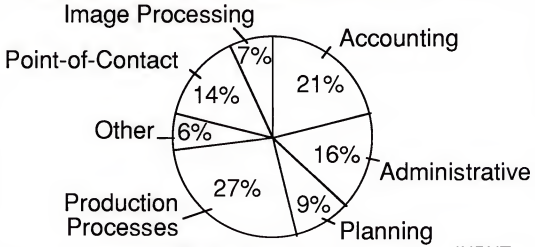
Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Applications Planned—Future



ID-77

INPUT

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Cost Issues

Cost Factor	Data Center	Network
Application Support	0	0
Processor	0	0
Systems Support	+	+
Staffing	0	+
Transition	+	+

INPUT

ID-78

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Cost Issues

Cost Factor	Developer	User
Application Support	-	0
Processor	0	+
Systems Support	+	0
Staffing	-	-
Transition	+	+

INPUT

ID-79

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

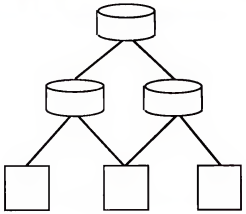
Downsizing

Architecture Allocation of Function

Superserver

Distributed Servers

Clients



INPUT

ID-80

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Architecture Allocation of Function

Superserver

- Transaction reservoirs
- Archival data warehouses
- Back-up to distributed applications
- Enterprise repository

INPUT

ID-81

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Architecture
Allocation of Function

Distributed Servers

- Distributed data base management
- Network management

INPUT

ID-82

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Architecture
Allocation of Function

Distributed Servers

- Integration of business systems
- Object management
- Connectivity

INPUT

ID-83

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Architecture Allocation of Function

Clients

- Automated processes
- Secure processes
- Intelligent data entry

INPUT

ID-84

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Architecture Allocation of Function

Clients

- Information retrieval and analysis
- Personal computing

ID-85

INPUT

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Examples

Organization	Objective
Food processory	Cost savings
Semiconductor Mfr.	IT strategy (AS/400 vs. RISC)
University	Information architecture

INPUT

ID-86

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Cost Savings—Example

- Food processing—beer company
- 2 mainframes to 3 RISC servers
- Complete replacement of applications (purchased) and staff
- Budget reduced by 40%
- Implementation—2 years

INPUT

ID-87

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

IT Strategy—Example

- Engineering driven company
- RISC technology critical
- Driving use of RISC for commercial applications

INPUT

ID-88

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

IT Strategy—Example

- Implications/Issues
  - Retraining IS staff
  - Data quality and security
  - Completeness of UNIX

INPUT

ID-89

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Information Architecture Example

- Decentralized style of university
- Existence of significant distributed power
- Client/server and packaged software appealing

INPUT

ID-90

Notes

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Information Architecture Example

- Implementation/Issues
  - Data quality
  - Creation of superserver structure
  - Availability of support staff at distributed level

INPUT

ID-91

Notes

4/13/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

Conclusions

- Opportunities are being pursued
- Client/server technology is a facilitator
- Top-down approach recommended
- IS and services vendors have much to learn

INPUT

ID-92

Notes

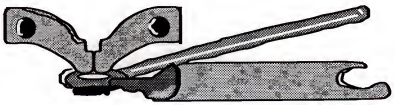
4/13/92

© 1992 by INPUT. Reproduction Prohibited.

The Systems Industry—Now

Open Systems

=



INPUT

ID-93

Notes

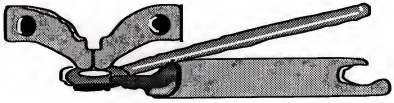
7/9/92

© 1992 by INPUT. Reproduction Prohibited.

The Systems Industry—Now

Open Systems

=



INPUT

ID-93

Notes

7/9/92

© 1992 by INPUT. Reproduction Prohibited.

- Introduction
- Downsizing Issues
- Desktop Services
- Conclusion

INPUT

ID-94

Notes

7/9/92

© 1992 by INPUT. Reproduction Prohibited.

- Introduction
- Downsizing Revolution
- Impact of Downsizing on Outsourcing
- Desktop Services Opportunity
- Conclusion

INPUT

ID-94a

Notes

8/19/92

© 1992 by INPUT. Reproduction Prohibited.

The Systems Industry—Past

Operating environments protected core systems prices

INPUT

ID-95

Notes

7/15/92

© 1992 by INPUT. Reproduction Prohibited.

The Systems Industry—Past

Operating environments protected core systems prices

INPUT

ID-95

Notes

7/15/92

© 1992 by INPUT. Reproduction Prohibited.

Transition Management

- Requires outsourcer as agent of change
- Transition difficult to accomplish
- Transition takes time
- Dual operational environments required

INPUT

ID-98

Notes

8/19/92

© 1992 by INPUT. Reproduction Prohibited.

Transition Management

- IS architecture transition is from centralized mainframes to downsized client/server
- IS ownership from central IS unit to user organizations

INPUT

ID-97

Notes

8/19/92

© 1992 by INPUT. Reproduction Prohibited.

Transition Management

- Client can outsource existing operations
  - Frees resources for new approach
- Opportunities for all types of IS outsourcing

INPUT

ID-99

Notes

8/19/92

© 1992 by INPUT. Reproduction Prohibited.

Transition Management

- Client can outsource existing operations
  - Frees resources for new approach
- Opportunities for all types of IS outsourcing

INPUT

ID-99

Notes

8/19/92

© 1992 by INPUT. Reproduction Prohibited.

Conclusion

Impact of Downsizing on IS Outsourcing

- Changes systems operations
- Changes and enhances network management
- Greater opportunities for transition management

INPUT

ID-100

Notes

8/19/92

© 1992 by INPUT. Reproduction Prohibited.

Conclusion

Impact of Downsizing on IS Outsourcing

- Causes desktop services growth
- Greater transition management opportunities
- Positive overall impact on IS outsourcing
  - Negative on some parts and vendors

INPUT

ID-101

Notes

8/19/92

© 1992 by INPUT. Reproduction Prohibited.

Documenting the Downsizing Trend

CIO survey results show

- 80% have identified target applications suites
- 40% have projects or pilots underway

...A significant opportunity exists!

ID-102

INPUT

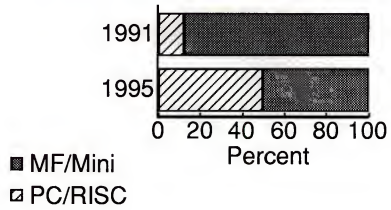
Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Platform Trends

Production Applications



ID-103

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Driving Forces for Downsizing

- Business operations downsizing
- Business process re-engineering
- User demands for rapid response to changing requirements

ID-104

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Driving Forces for Downsizing

- Executive demands to lower IS costs through
  - Platform price performance improvements
  - Platform independence
  - Reduced software costs

ID-105

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Factors Inhibiting Downsizing
(Ranked from Survey Results)

Rank	Factor
1	Data quality problems
2	Transition costs
3	Increased network complexity
4	Applications software not available

ID-106

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Realized Benefits Post-Downsizing
(Ranked from Survey Results)

Rank	Factor
1	Improved user responsiveness
2	Broader range of choices
3	Faster systems development
4	More effective use of IT

ID-107

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Changing Management Requirements

Data center mgt. →	Distributed network mgt.
Defacto IBM stds. →	Heterogeneous stds.
Centralized dev. →	Decentralized dev.
Centralized support →	Distributed support
Cobol based sys. →	New dev. environments

... Are users ready?

ID-108

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Critical Issues Impacting IS Management

- Staffing and training for the downsized environment
  - Scarcity of technological skills
  - Transition of IS staff to user staff

ID-111

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Critical Issues Impacting IS Management

- Interlocking the technical strategy with business strategy
- Remaining actively involved in business re-engineering
- Facilitating the transition

ID-112

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Key Opportunities for Vendors

- "Desktop services"—support and transition mgt.
- Distributed integrated platform offerings *(integrated workstation/ LAN/OS environments)*

ID-114a

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Key Opportunities for Vendors

- Transition management services
- Applications software products/ development *(distributed environments)*

ID-114b

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Key Moves for Industry Participants

Class	Opportunity
Out-sourcers	• Transitional outsourcing • Desktop services • Downsizing SI contracts

ID-116

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Key Moves for Industry Participants

Class	Opportunity
Software products	• Distributed integrated platforms (DIP)
Turnkey systems	• Desktop services
	• Apps. development—distributed

INPUT

ID-117

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Key Moves for Industry Participants

Class	Opportunity
Network Proc. Svcs.	• Outsourcing of network requirements • Distributed network mgt. • Specialized transaction processing

INPUT

ID-118

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing Impacts Future Industry Growth

- Software and services
  - Future growth will sustain or exceed current levels—1992-1997

ID-123a

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing Impacts Future Industry Growth

- Hardware
  - Level growth—1992-1997
  - Increased unit sales
  - Declining prices

ID-123b

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Topics

- Introduction
- Impacts on software product vendors
- Impacts on software distribution and pricing
- Custom vs. package applications
- Impact on markets
- Conclusions

INPUT

ID-124

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Introduction

INPUT

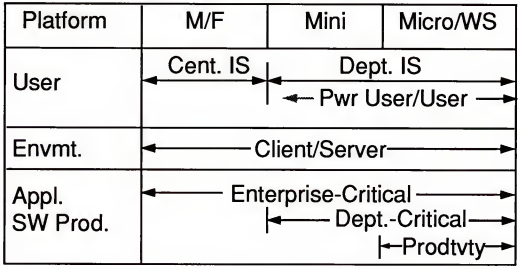
ID-125

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

IS Model for the '90s



INPUT

ID-126

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing Driving Applications

- 52 IS executives surveyed
- 22 execs. identified 44 applications scheduled/considered for downsizing
  - 37% accounting and administration
  - 27% production processes
  - 7% image processing
  - 2% knowledge-based systems

INPUT

ID-127

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Software Market

- Downsizing changing SW paradigm
- Mission-critical applications
  - Wide variance in content
  - Replacement is accelerating
  - 1/3 of appl. less than 2 years old
- End user initiating change/purchasing software

INPUT

ID-128

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Impact of Downsizing on Software Product Vendors

- What's changing?...Everything!
- Who's affected?...Everyone!

INPUT

ID-129

Notes

© 1992 by INPUT. Reproduction Prohibited.

Software Product

Attributes	Old	New
Features	Fixed	Constantly adding
Updates	Infrequent	Frequent
Sales	Field	Direct/indirect
Cost of sales	Labor bias	Advertising bias
Price	$10,000+	$100+
Customers	100s	100,000s

ID-130

INPUT

Notes

1/28/93

© 1993 by INPUT. Reproduction Prohibited.

Operating Systems
SW Product Vendors

- Users less concerned with op. sys.
- PCs: bundled, Windows isolates user
- Minis: operating system bundled
- M/Fs: use standard mfg.'s op. sys.
- Battle for control of operating system
- What about networks?

INPUT

ID-131

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Software Development Tool Vendors

- PC users moving to "plug and play" appl.
- Compilers
  - Users not interested (as comm. prod.)
  - Mostly power users buy compilers
- DBM bundled with applications
- Tools sold to developers, not end users

INPUT

ID-132

Notes

© 1992 by INPUT. Reproduction Prohibited.

Distribution—Mechanics

- PCs: floppies and bundled SW
- Mainframes/minis: traditional methods
- Networks
  - Downline load distrib. appl.
  - Monitoring, maint., prob. resolution
- Important: currency/control of gen.

INPUT

ID-133

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Distribution—Mechanics

CD ROM = Supermedia!

- Holds code, documentation, video
- Cheap and nondestructive
- Popular in downsized environment
- Eventually used for all software

INPUT

ID-134

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Software Products

Impacts of Downsizing on Distribution and Pricing

INPUT

ID-135

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Distribution—Channels

	Trend	Platform(s)
• Direct sales	More	PC
• Indirect sales	More	PC, all
• Telemarketing	More	PC
• Field sales	Less	M/F, mini

INPUT

ID-136

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Pricing

- Bundling—users want it both ways
  - Advantages of bundled pricing
  - Only bundle what user needs
- Client/server pricing
  - Isolated or shared mode
- Pricing options: purchase, lease, usage, bundled, subscription

INPUT

ID-137

Notes

© 1992 by INPUT. Reproduction Prohibited.

Custom vs. Packaged Applications

INPUT

ID-138

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

New User Development Environment

- Has limited resources
- Wants "off-the-shelf" applications
- Doesn't want to worry about DB, op. sys., network, integrity/reliability
- Will seek help to modify standard SW
- Traditional products at risk

INPUT

ID-139

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

New User Will Look for Software Products That Are...

- Packaged—useful as is
- Packaged—easily modifiable
- Scalable
- Templates
- OOP compatible

INPUT

ID-140

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Who'll Modify/Change Software Products?

- Few "pure" custom jobs
- Limited resources in distributed IS
- Done by vendor or PS
  - Product vendor now provides svc.
  - Looks like, acts like, *is* a svcs. co.!
  - If not ⟶ it will disappear ...

INPUT

ID-141

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Impact on Markets

INPUT

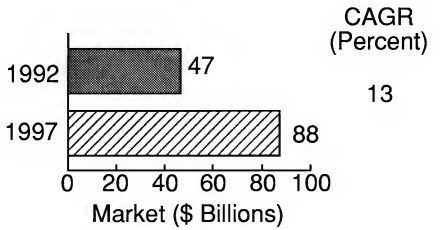
ID-142

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Software Products Market



INPUT

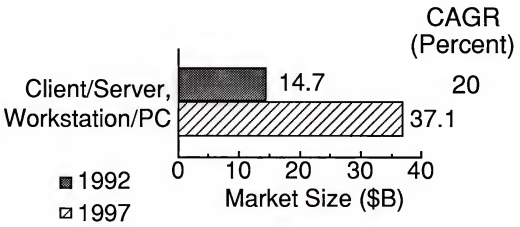
ID-143

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Software Products Market



ID-144a

INPUT

Notes

1/28/93

© 1993 by INPUT. Reproduction Prohibited.

Conclusions

ID-145

INPUT

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Market Realities

- Downsizing changes operations mgmt.
  - Systems mgmt. → network mgmt.
  - Central DBM → Distr. DBM
  - Network/DBM → integrated
  - AI = Lights out!
- Sys. architecture is still a battleground
- Ltd. user market for devmt. tools

INPUT

ID-146

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Market Realities

- Security/Integrity
  - Downsizing synonymous/ networking
  - Networking synonymous/access
  - Access synonymous/risk!
- Hardware is a commodity
- Software is where the value is

INPUT

ID-147

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Applications That Will Succeed

- Can be (easily) used as is
- Can be (easily) modified
- Will be part of a suite ...
  - That can be upsized or downsized
  - Run with mainframes, servers (for C/S)

INPUT

ID-148

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Companies That Will Succeed

- Scalable application suites
- Combine necessary tools, op. sys. with product
- Increase distribution channels
- Emphasize ease of installation
- Identify/satisfy user mission-critical needs

INPUT

ID-149

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Companies That Will Succeed

- Will offer applications that
  - Isolate user from mechanics of op. sys.
  - Can be easily modified
  - Have on-line (networking) capability
  - Have demonstrated cost-effectiveness
- Will have strong customer support
- Will look a lot like services companies

INPUT

ID-150

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Competitive Advantage Opportunities!

- Data management will be key
- Concentrate on delivery options
  - Templates
  - Scalable applications

INPUT

ID-151

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Competitive Advantage Opportunities!

- Intelligent application or expert systems
- Software products vendor must provide support services, or PS will. Start to look like a service company!

INPUT

ID-152

Notes

© 1992 by INPUT. Reproduction Prohibited.

Process Downsizing—The Disappearing Data Center?

- Introduction
  - How the data center got that way—and why
  - What is motivating downsizing?
- How organizations are going about downsizing

INPUT

ID-153

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Process Downsizing—The Disappearing Data Center?

- Management considerations in downsizing
- Organizational and technological impacts
- Conclusions and recommendations

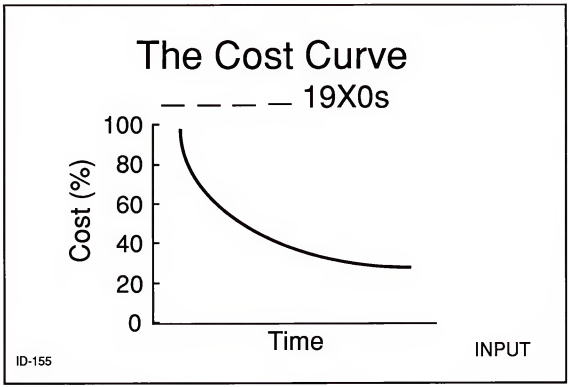
INPUT

ID-154

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.



Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Filling in the Blanks

- Centralization and decentralization—1950s
- Clerical costs—1960s
- Economy of scale—1970s
- Office "automation"—1980s
- Downsizing—1990s

INPUT

ID-156

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Why Data Centers?

- "Efficiency" and cost savings
- File transfer and data problems
- Standards
- Centralized planning and control
- Limited human resources
- Maintain "traditional" client-vendor relationship

INPUT

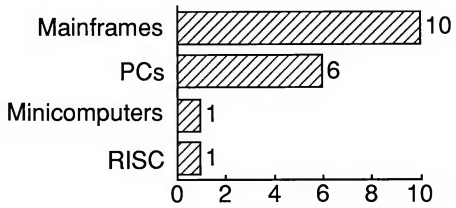
ID-157

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

How Platforms Stack Up
(Attributes)



INPUT

ID-158

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

What Is Motivating Downsizing?

- It obviously isn't...
  - Technical and architectural quality
- It may be...
  - Cost, ease of use, and open systems
- But, it definitely is coming from...
  - End user dissatisfaction
  - Management dissatisfaction

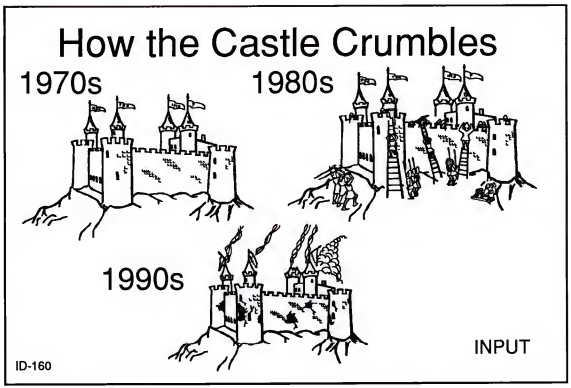
INPUT

ID-159

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.



Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

How Organizations Are Going About Downsizing

- Extension of continuing revolution
  - Scientific vs. commercial
  - Literate vs. illiterate
- Distribution of function(s) to C/S predominates

INPUT

ID-161

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

How Organizations Are Going About Downsizing

- Application downsizing
  - Compute intensive
  - Office automation
  - Business critical
- Controlled data distribution

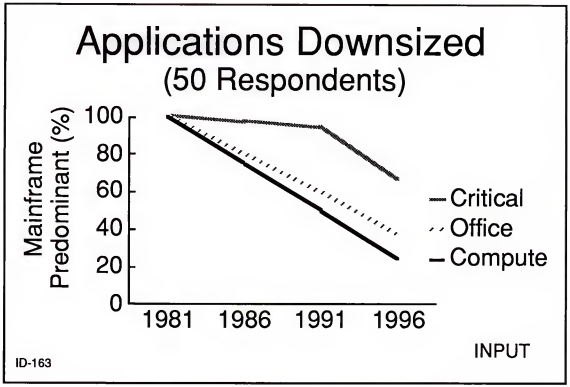
INPUT

ID-162

Notes

10/29/92

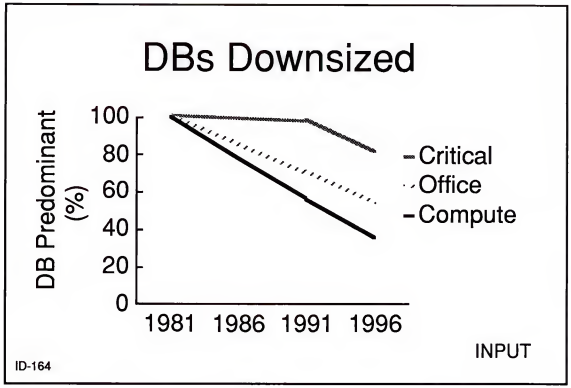
© 1992 by INPUT. Reproduction Prohibited.



Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.



Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

What Is Really Happening

- "Scientific" users have seized control (again)
- Management has downsized office applications

INPUT

ID-165

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

What Is Really Happening

- IS management attempting to "control"
  - Viewing with alarm
  - Justifiable technical concerns
  - Retain central data bases
  - Develop a "plan"
- Few mainframes being replaced

INPUT

ID-166

Notes

© 1992 by INPUT. Reproduction Prohibited.

When Mainframes Are Replaced

- They are small
- Single application
- Single user set
- Little data sharing
- Mainframe data dependency remains

INPUT

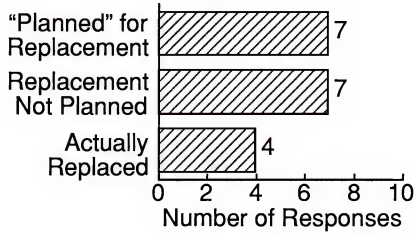
ID-167

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Replacement Status
(18 Case Studies)



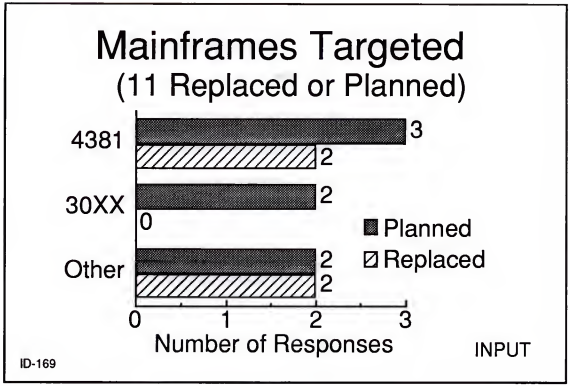
INPUT

ID-168

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

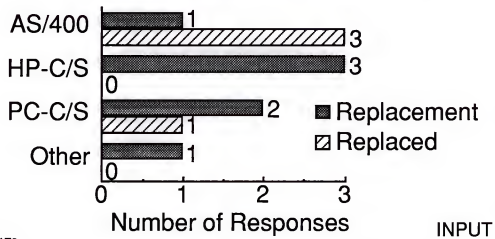


Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Replacing Systems
(11 Replaced or Planned)



INPUT

ID-170

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Speaking about the Unspeakable

AS/400

ID-172

INPUT

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Management Considerations in Downsizing

- Conversion vs. re-engineering
- Visible vs. hidden costs
- Wither responsibility?
- Viability of new technologies
- Risk and management mind-set?
- Cost analysis

INPUT

ID-173

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Critical Assumptions

- Mainframe cost can be reduced
- Data base integrity can be maintained
- Development and maintenance cost can be reduced

INPUT

ID-174

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Critical Assumptions

- Transition costs can be controlled
- The "solution" will work
- Improved productivity

INPUT

ID-175

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Organizational and Technological Impact

- IS doesn't have resources
- IS responsibility for downsizing
- Some IS problems → users
- Hardware costs will rise during transition

INPUT

ID-176

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Organizational and Technological Impact

- Data center cost recovery—a problem!
- Distributed DBM is key
- Technological miracles required
- SAA—open systems coexistence

INPUT

ID-177

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Conclusions

- Downsizing and upsizing = client/server
- Mainframes are not going to disappear
- Transition costs are key
- Mainframe costs aren't scalable

INPUT

ID-178

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Conclusions

- SAA & AS/400 cannot be ignored
- Technological miracles unlikely
- Help (divine or otherwise) needed
- Opportunities everywhere—for everything

INPUT

ID-179

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Recommendations

- Develop mainframe strengths as server level
- Select platforms that speed transition
- Simplify integration for IS and users

INPUT

ID-180

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Recommendations

- Assist in mainframe replacement
  - "Help" with SAA
  - Make outsourcing attractive

INPUT

ID-181

Notes

© 1992 by INPUT. Reproduction Prohibited.

Recommendations

- Unlimited potential for miracles
  - Decision support and competitive advantage
  - AI/expert systems
  - Less paper

INPUT

ID-182

Notes

10/29/92

© 1992 by INPUT. Reproduction Prohibited.

Knowledge Encouraging Use of PS

Type of Knowledge	User Rating
Downsizing, client/server	4.1
Network technology	4.1
Distributed data bases	3.4
Open systems	2.8
CASE and/or re-engineering	2.7
Imaging	2.4

ID-186

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Impact on New PS Buyer (User)

- Downsizing forcing user responsibility
- Acquiring limited IS resources
- Has budget—budget's tight
- Needs help with:
  - Consulting
  - Training and education
  - Software dev., maint., mgmt.

ID-189 INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Changing Needs—Consulting

Old (IS)	New (User)
Technical skills	Tech. *and* business skills
Gen. support	Specific support
Planning	Implementation
Network design	Network implementation
Long projects	Short projects
Appls. design	Applications selection

ID-190

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Changing Needs
Training and Education

	Old (IS)	New (User)
Philosophy	Teach teacher	Teach user
Emphasis	Planning Tech. detail	Implementation How to use/do
Method	Varied curriculae	Specific courses
Schedule	Ongoing/long	As needed/short

ID-191

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Changing Needs Software Support

Support	Old (IS)	New (User)
Op. sys., tools	Heavy	Little need
Appls. dev.	Heavy	Light
Appls. mod.	Heavy (build hooks)	Light (use hooks)
Installation	Assist	Do
Integration	Heavy	Medium

ID-192

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Downsizing—Impact on PS Vendors

- Buyer less often is IS dept., more often is the user
- Needs of the user vary more widely
- More emphasis on
  - Business skills for business solutions
  - Integration of technology

ID-193 INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Software Downsizing
PS Impact

- Emphasis:
  - Assembling/integrating standard SW
  - Modifications to customize SW
  - Supporting NW, sys., DBM rqmts.
  - Technology/SW support hand-holding

ID-194b

INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Software Downsizing PS Impact

PS vendors will need:

- Strong client/server skills
- Mini, micro, W/S literacy
- Comfort W/scalable appls., templates
- Skills in SW price/perform evaul.
- To help client use PS effectively
- Patience

ID-195 INPUT

Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

5-Year Outlook for PS

- Consulting has fastest growth rate
- Broadest skill set to help users
- Ed./trng. has steady growth rate
- New user market for IS training
- SW/appls., maint./dev./supt. lower growth rate
- Fewer big, long IS jobs

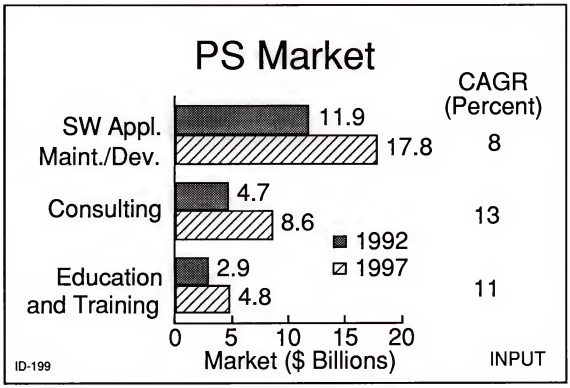
ID-198

INPUT

Notes

10/16/92

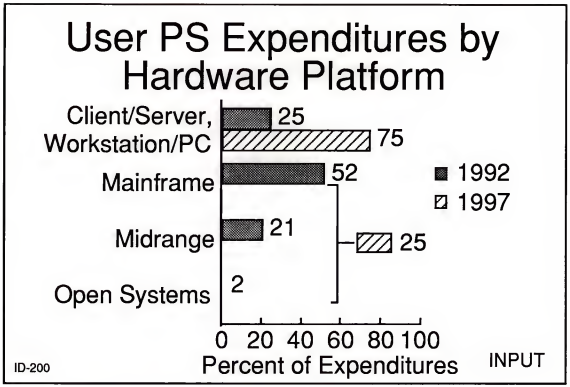
© 1992 by INPUT. Reproduction Prohibited.



Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

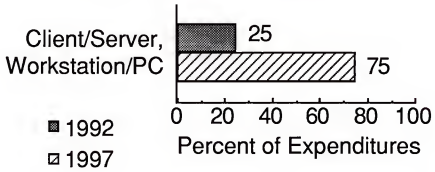


Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

User PS Expenditures by Hardware Platform



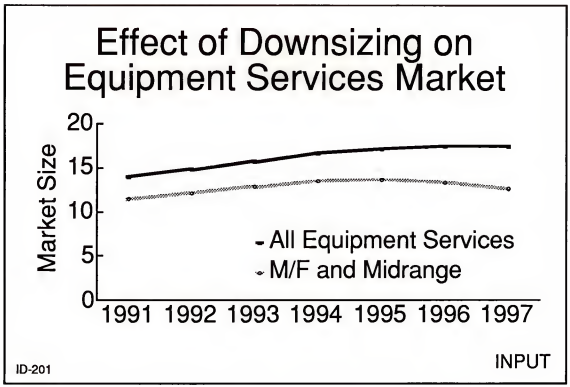
ID-200a

INPUT

Notes

1/28/93

© 1993 by INPUT. Reproduction Prohibited.



Notes

10/16/92

© 1992 by INPUT. Reproduction Prohibited.

Be Prepared to Recommend and Conduct PS Activities That:

- Are shorter in length or duration
- Are cost constrained
- Emphasize doing, *not* advising
- Directly involve the end-user
- Require a broader (not-traditional) knowledge base

Notes

© 1992 by INPUT. Reproduction Prohibited.

Key PS Vendor Strategies

- Invest in ind./tech. knowledge to help users downsize - consider alliances
- Use/recommend software products
  - With data base, reporting capabilities
  - That can be easily customized
  - That can be implemented quickly
- Broaden the base

Notes

© 1992 by INPUT. Reproduction Prohibited.

The IS Department Must:

- Recognize changing support needs
- Facilitate downsizing—Don't fight it!
- Help end-users define function/support requirements
- Show user how PS can help

Notes

© 1992 by INPUT. Reproduction Prohibited.

Downsizing

- Trends and factors
- User issues
- Interaction with outsourcing

INPUT

ID-205

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Changing Requirements—SW

Attributes	Old	New
Features	Fixed	Constantly adding
Updates	Infrequent	Frequent
Sales	Field	Direct/indirect
Costs of sales	Labor bias	Advertising bias
Price	$10,000+	$100+
Customers	100s	100,000s

INPUT

ID-206

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Changing Requirements Professional Services

Aspect	Old	New
Prof. Skills	Primarily technical	Technical and business
Support Focus	General	Specific
Practice Focus	Planning	Implementation

INPUT

ID-207a

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Changing Requirements Professional Services

Aspect	Old	New
Telecomm.	Design	Implementation
Projects	Long	Short
Applications	Design orientation	Software selection/ modification

INPUT

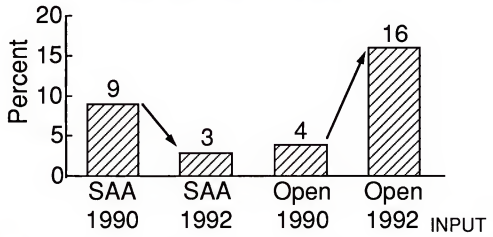
ID-207b

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Movement to Open Systems in 900 Downsizing Documents



ID-208

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

User Issues

- Funding the downsizing effort
- Re-alignment of management responsibilities
- New skill requirements
- Transition management/strategy

INPUT

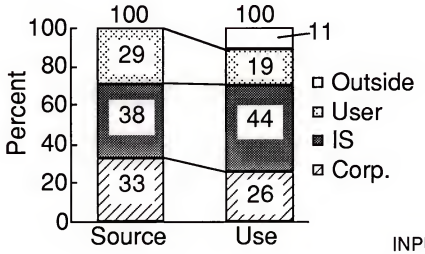
ID-209

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Downsizing Funding



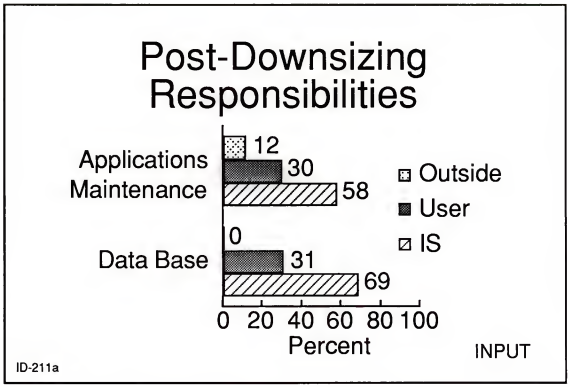
INPUT

ID-210

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

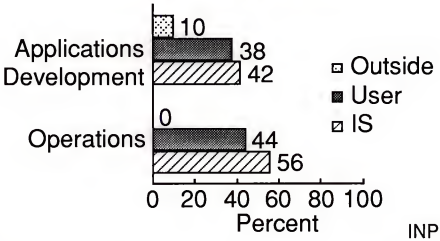


Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Post-Downsizing Responsibilities



INPUT

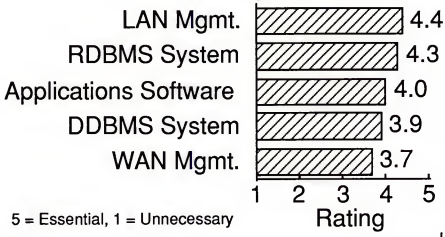
ID-211b

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Downsizing Capabilities Analysis



5 = Essential, 1 = Unnecessary

INPUT

ID-212

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Transition Strategy Key Decisions*

- Re-engineering versus conversion
- Standardized versus heterogeneous platforms
- Distribution of processing versus distribution of processing and data
- Open versus proprietary architecture

INPUT

ID-213

Notes

*Top four from 60 user surveys

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Downsizing—Interaction with Outsourcing

- Threats
- Opportunities
  - Desktop services
  - Transition management

INPUT

ID-214

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Threats

- Reduced number of mainframe shops
- Remaining installations likely to be smaller
- Shorter contracts with negative growth characteristics

INPUT

ID-215

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Outsourcing Opportunities
Desktop Services

Supply Services	Equipment Software Purchasing mgmt.
Equipment Support	Maintenance/installation Logistics
Connectivity Svcs.	LAN as management Network interfaces

INPUT

ID-216

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Impact of Downsizing on Professional Services (PS) Markets

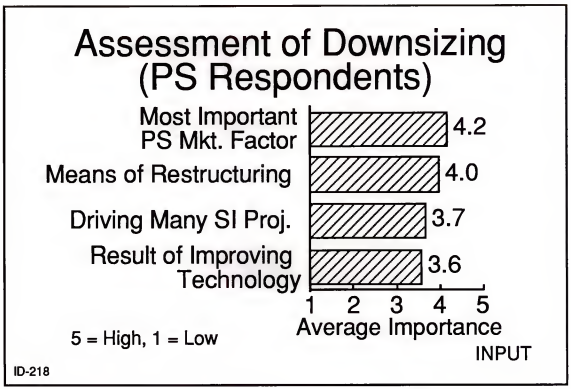
INPUT

ID-217

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

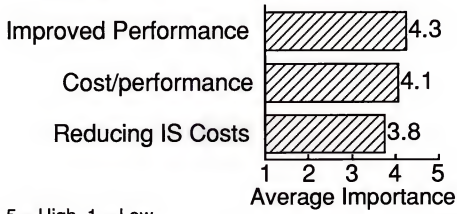


Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Forces Driving Downsizing (User Respondents)



5 = High, 1 = Low

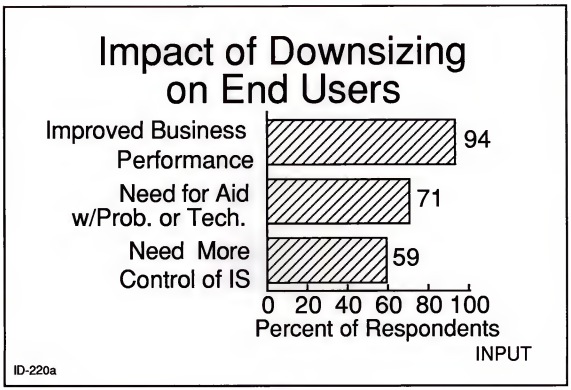
INPUT

ID-219

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.



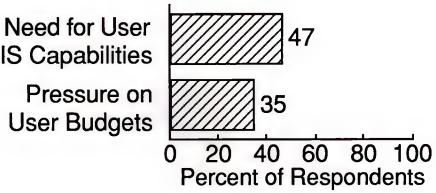
Notes

Multiple choices possible

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Impact of Downsizing on End Users



INPUT

ID-220b

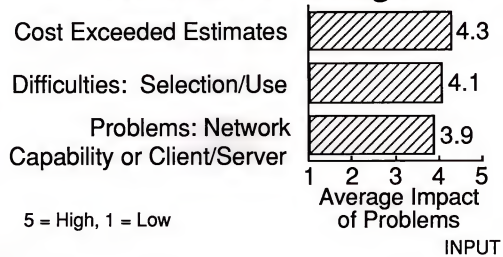
Notes

Multiple choices possible

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Problems Encountered with Downsizing



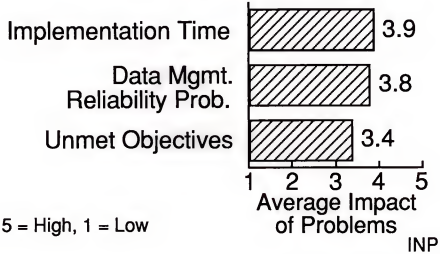
ID-221a

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Problems Encountered with Downsizing



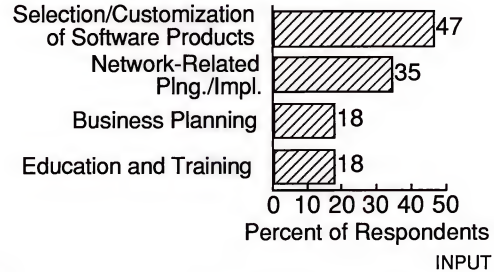
ID-221b

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Type of Aid Sought

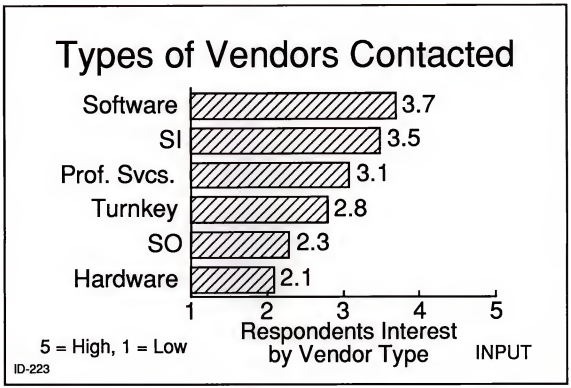


ID-222

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

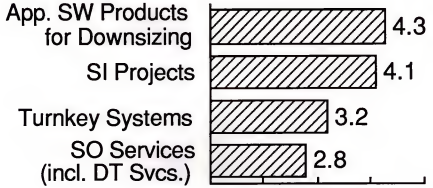


Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Downsizing Competition for PS Vendors



5 = High, 1 = Low

INPUT

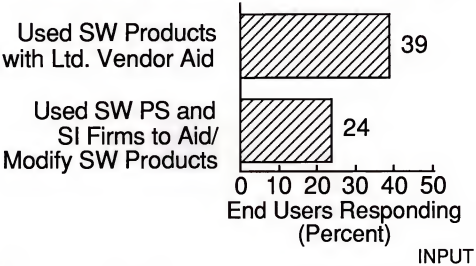
ID-224

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Use of PS With Downsizing (DS)


Used SW Products with Ltd. Vendor Aid
39
Used SW PS and SI Firms to Aid/ Modify SW Products
24
0 10 20 30 40 50
End Users Responding (Percent)
INPUT

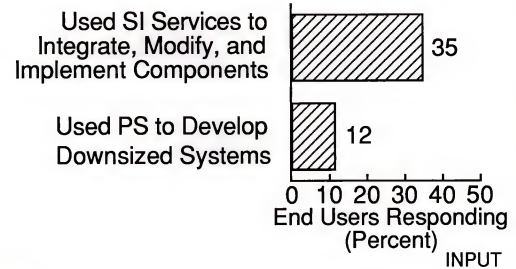
ID-225a

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Use of PS With Downsizing (DS)


Used SI Services to Integrate, Modify, and Implement Components
35
Used PS to Develop Downsized Systems
12
0 10 20 30 40 50
End Users Responding (Percent)
INPUT

ID-225b

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Impact of Downsizing on Central IS

Factor	Reported Impact
Central IS budget	Reductions of 20% to 40%
Central staff reduction	Reductions of 15% to 70%
Support to users	Increases to support downsized environment

INPUT

ID-226a

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Impact of Downsizing on Central IS

Factor	Reported Impact
Technological skills	May need increased skills to support end users or may have to transfer certain skills to users
Relation with end users	Closer relation required to stay current with user planning

INPUT

ID-226B

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Critical Downsizing Issues Identified by Central IS

- Growth of end-user centers
- Disinterested support of end users
- Training for end users
- Responsibility for downsizing problems

INPUT

ID-227a

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Critical Downsizing Issues Identified by Central IS

- Facilitating transition of work to end-user control
- Adjusting plans and budgets to reflect downsizing changes

INPUT

ID-227b

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Conclusions

- Use of downsizing is rising rapidly
- Business benefits are the prime motivator
- New technology is a strong stimulus
- Client/server technology is highly utilized
- End users are more active as buyers

INPUT

ID-228a

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Conclusions

- Successes and problems are being encountered
- Downsizing is changing the use of IT
- Professional services use can decrease
- There are new opportunities for vendors

INPUT

ID-228b

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Conclusions

- Price is not always the major vendor selection criterion
- Professional services vendors must plan responses
- Downsizing will lead to growth of local IS facilities

INPUT

ID-228c

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

PS Opportunities Enhanced by Downsizing

- Consulting for planning downsizing
- Special training classes
- Selecting and aiding with software products
- Aiding with network and client/server technology

INPUT

ID-229a

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

PS Opportunities Enhanced by Downsizing

- Transition management
- SI services
- Defining equipment and software support

INPUT

ID-229b

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.

Recommendations for PS Vendors

- Skills to support downsizing must be gained
- User problems and need for aid should be reviewed
- User and IS roles must be assessed in each account

INPUT

ID-230a

Notes

© 1993 by INPUT. Reproduction Prohibited.

Recommendations for PS Vendors

- Proactive contact is needed to uncover opportunities
- Industry/functional knowledge necessary
- PS vendors must redirect attention from work with larger platforms

INPUT

ID-230b

Notes

4/1/93

© 1993 by INPUT. Reproduction Prohibited.